

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF ELECTRIC RATES)	
OF LOUISVILLE GAS AND ELECTRIC)	
COMPANY TO IMPLEMENT A 25 PERCENT)	CASE NO. 10320
DISALLOWANCE OF TRIMBLE COUNTY UNIT)	
NO. 1)	

O R D E R

On April 20, 1989, the Commission issued an Order affirming its Order of July 19, 1988 establishing this proceeding and scheduling an informal conference for May 18, 1989. The purpose of the informal conference was to consider a procedural schedule, discuss the scope of the case, and consider focusing the issues in the case.

On April 27, 1989, Louisville Gas and Electric Company ("LG&E") filed a motion to postpone the informal conference in order to allow it a sufficient opportunity to complete the transition in the office of its president and to allow LG&E's new chief executive officer to take part in the preparation of the company's position in the case. On May 1, 1989, Jefferson County filed an objection to the motion of LG&E and requested that the Commission stand by its original Order and reaffirm the May 18, 1989 informal conference date.

In light of the motion and response, the Commission has reconsidered the need for an informal conference and is of the opinion that it would be preferable to establish a procedural

schedule to move forward in an expeditious manner in the processing of this case. Furthermore, the Order of July 19, 1988 establishing this case set out guidance as to the issues which need to be addressed and the general scope of this proceeding. In addition to the issues set out in the July 19, 1988 Order, the Commission requests that LG&E include, with its initial filing, a schedule of rates which reflects the reduction in its revenue requirement due to the 25 percent disallowance. This schedule should include a billing analysis for the test-year ended August 31, 1987, which shows the revenues that the rates will produce. LG&E should also file a plan, or method, for refunding the \$11.4 million awarded, subject to refund, in Case No. 10064¹ in the event the Commission rules that refunds are in order. In addition, LG&E should submit testimony addressing the issue of how fuel costs for Trimble County Unit No. 1 will be allocated in future cases to reflect the 25 percent disallowance.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set out in Appendix A, attached and incorporated hereto, shall be followed by all parties to this proceeding.

2. The motion of LG&E to postpone the informal conference of May 18, 1989 is hereby granted.

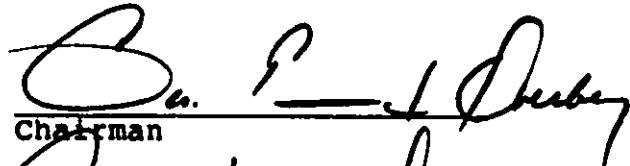
3. LG&E's prepared testimony shall address at a minimum the following issues related to the Trimble County disallowance: dollar amount of the disallowance, allocation of costs and

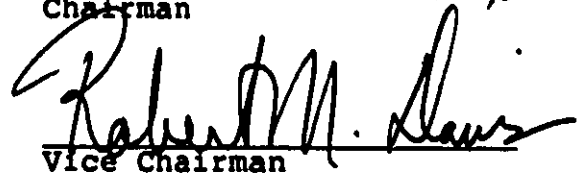
¹ Case No. 10064, Adjustment of Gas and Electric Rates of Louisville Gas and Electric Company.

revenues, impact on rate base and capital; new rate schedules including a billing analysis, and a refund plan.

Done at Frankfort, Kentucky, this 15th day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10320 DATED 5/15/89

SCHEDULE OF EVENTS

DUE DATE

1. LG&E shall file its testimony in
verified form.....7/14/89
2. All requests for information to LG&E shall be due
shall be no later than.....8/4/89
3. LG&E shall mail or deliver responses to the
original request for information no later than.....8/18/89
4. All supplemental requests for information
to LG&E shall be due.....9/1/89
5. LG&E shall mail or deliver responses to the
supplemental requests for information
no later than.....9/8/89
6. Intervenors shall file their testimony, if any,
in verified prepared form no later than.....9/15/89
7. All requests for information to intervenors
shall be due no later than.....9/29/89
8. Intervenors shall mail or deliver responses to
requests for information no later than.....10/13/89
9. Public Hearings.....(To Be Scheduled)
10. Briefs.....(To Be Scheduled)